

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF MAY 2003

Dated	Subject	Distribution
05-05-03	Business and Industry Guaranteed Loan Program Voluntary Exclusion from Servicing or Packaging Loans Michael R. Thomas	S/D
05-12-03	Monitoring Bank of America Travel Accounts	S/D
	The Adverse Impact of Entering Spanish Characters in UniFi	S/D, D/D, C/S
	2002 Relocation Income Tax (RIT) Claims	S/D
05-19-03	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, D/D, C/S
	Economic Impact Initiative Administrative Funds	S/D
05-29-03	Rural Economic Development Loan and Grant Program Notification of Priority Score Changes	S/D

May 5, 2003

SUBJECT: Business and Industry Guaranteed Loan Program
Voluntary Exclusion from Servicing or Packaging Loans
Michael R. Thomas

TO: State Directors, Rural Development

ATTN: Business Programs Directors

This is to advise all Rural Development officials that the Department of Agriculture Rural Business-Cooperative Service (USDA) and Michael R. Thomas have signed a Settlement Agreement.

On March 19, 2002, USDA issued notices of proposed debarment of Michael R. Thomas and Timothy Thomas. On November 14, 2002, USDA placed Michael R. Thomas on the Federal Government's list of debarred persons.

Michael R. Thomas has agreed that, until March 19, 2004, he will not:

1. be a lender, officer, or director of a lender that is making loans guaranteed by any USDA guaranteed loan program;
2. service any loans that have been made or guaranteed by USDA; and
3. receive any compensation for servicing or packaging any loan made or guaranteed by USDA.

USDA agreed to withdraw, revoke, and cancel the notice of proposed debarment of Timothy Thomas and vacate the November 14, 2002, debarment of Michael R. Thomas.

EXPIRATION DATE:
May 31, 2004

FILING INSTRUCTIONS:
Community/Business Programs

Any questions by the staff should be referred to Virginia Hammell, Special Projects/
Programs Oversight Division, 202-690-3805.

(Signed by John Rosso)

JOHN ROSSO
Administrator
Rural Business-Cooperative Service

May 12, 2003

SUBJECT: Monitoring Bank of America Travel Accounts

TO: Rural Development State Directors

ATTN: Administrative Program Directors and
Bank of America Agency Program Coordinators

The Office of Management and Budget (OMB) has requested all agencies combat delinquencies, fraud, and abuse related to the Bank of America (BOA) government travel charge cards. Therefore, I am requesting you immediately implement stronger monitoring processes that include, at a minimum, a monthly review of the following BOA reports:

- ✓ Delinquency Report
- ✓ Non-Travel Activity Report
- ✓ Pre-suspension Report

These reports can be obtained via BOA's Electronic Account Government Ledger System (EAGLS). Please refer to Chapter 8 (Reporting Tools) in the EAGLS User Manual or log into the automated EAGLS system's user guide for more information.

Each BOA Agency Program Coordinator (APC) must perform monthly reviews of their state's BOA cardholders appearing on the Non-Travel Activity Report. In addition, APCs have the authority to randomly select cardholders within their state, obtain transaction statements from the BOA EAGLS system and cross-reference to travel authorizations, vouchers, receipts, and any other documentation to support the BOA transactions.

EXPIRATION DATE:
April 30, 2004

FILING INSTRUCTIONS:
Administrative/Other Programs

The National Office will also be conducting random reviews of the above reports for all of Rural Development. Memorandums will be issued to those State Directors who have delinquent cardholders or have cardholders who are suspected of possible misuse or abuse of their BOA travel card.

Please aggressively move forward to assure all Rural Development employees use the BOA travel card **only** for authorized travel expenses while on official business and employees' BOA debts are paid in a timely manner.

For assistance with any of the above reports, please contact Theresa Hollowell, Travel Unit, at 202-692-0227.

(Signed by Deborah B. Lawrence) for

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Sent via electronic mail on 05-15-03 at 9:40 a.m. by SSD.

May 12, 2003

TO: Rural Development State Directors,
Rural Development Managers, and
Community Development Managers

FROM: David J. Villano *(Signed by David J. Villano)*
Deputy Administrator
Single Family Housing

SUBJECT: The Adverse Impact of Entering Spanish Characters in UniFi

As you steadily increase the number of loans to minorities through your established plans, please be cognizant of the adverse impact of entering the following Spanish characters in UniFi:

ENGLISH CHARACTER	SPANISH CHARACTER
A	Á
E	É
I	Í
O	Ó
U	Ú
N	Ñ

The above Spanish characters produce a nonstandard ASCII character in the 833 file that UniFi uploads to the credit bureau vendors (CBC, Equifax, and Trans Union). This nonstandard ASCII character prohibits the 833 from transferring to the vendor's system. Consequently, the vendor never receives the request.

To avoid this problem, please do not use Spanish characters in UniFi.

If you have any questions regarding this memorandum, please contact Brooke Baumann of the Single Family Housing Direct Loan Division at (202) 690-4250.

EXPIRATION DATE:
May 31, 2004

FILING INSTRUCTIONS:
Housing Programs

May 12, 2003

SUBJECT: 2002 Relocation Income Tax (RIT) Claims

TO: Rural Development State Directors
National Office Officials

ATTN: Administrative Program Directors

The National Finance Center (NFC) has advised that 2002 Relocation Income Tax (RIT) claims may now be submitted for processing. Please remind all employees who relocated during 2002 that they should send in their RIT claims to the NFC. Employees who relocated during prior years also need to submit RIT claims if they received a Withholding Tax Allowance (WTA) during 2002.

It is important that employees submit their RIT claim in a timely manner to settle their RIT allowance account. If the employee fails to comply with this requirement, the entire WTA already paid to the employee will be considered an excess payment. The NFC will then bill the employee for the excess WTA.

You and your staff may contact D. Irene Wofford, Travel Unit, at 202-692-0030 with any questions.

(Signed by Deborah B. Lawrence) for

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
May 31, 2004

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail at 9:15 a.m. on 05-15-03 by SSD. State Directors and National Office Officials should advise other personnel as appropriate.

May 19, 2003

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Community Development Managers

ATTN: Rural Housing, Program Director

The following interest rate, effective June 1, 2003, is changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgement Rate	1.270%	1.310%

The Treasury Judgement rate is based on the weekly average 1-year Constant Maturity Treasury (CMT) yield. The rate is published by the Federal Reserve System, Board of Governors. The current rate shown above is as of the week ending 04/25/03. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest.

EXPIRATION DATE:
June 30, 2003

FILING INSTRUCTIONS:
Administrative/Other Programs

This rate may be found by going to the Federal Reserve web site for the weekly average 1-year CMT yield (www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt).

Please notify appropriate personnel of this interest rate information.

(Arthur A. Garcia)

ARTHUR A. GARCIA
Administrator
Rural Housing Service

Sent by Electronic Mail on 05-19-03 at 3:31 p.m. by PAD.

May 19, 2003

TO: All State Directors
Rural Development

FROM: James C. Alsop (Signed James C. Alsop)
Deputy Administrator
Community Programs

SUBJECT: Economic Impact Initiative
Administrative Funds

This memorandum addresses the use of Community Programs administrative funds. Economic Impact Initiative administrative travel funds have only been used for outreach travel in the past. Use of these funds has been expanded for the following travel and contracting purposes: feasibility studies, appraisals, environmental reviews, and architectural and engineering studies. These contracts and travel must be in conjunction with an Economic Impact Initiative project to qualify as a valid use of funds.

The accounting code for the Economic Impact Initiative travel and contracting funds is 3CH610023. All requests must be submitted to the National Office for approval before this code can be authorized for use. A one-page memorandum describing the purposes of the proposed expenditure must be faxed to (202) 690-0471. Once the approval has been received, the existing travel and contracting procedure in your State will be followed. The contracting portion will be processed manually in the Finance Office. Please work with your contracting officer to ensure proper procedures are met.

If you have any questions, you may contact Andrea Barnett, 202-720-0487.

EXPIRATION DATE:
May 31, 2004

FILING INSTRUCTIONS:
Administrative/Other
Programs

May 29, 2003

SUBJECT: Rural Economic Development Loan and Grant Program
Notification of Priority Score Changes

TO: State Directors, Rural Development

ATTN: Business Program Directors

The purpose of this unnumbered letter is to clarify and provide guidance regarding the Project Selection Criteria scoresheet and requests for National Office assistance for the Rural Economic Development Loan and Grant (REDLG) Program.

Reviews of the priority scoresheet for the REDLG program are completed each quarter by National Office staff. Some of these reviews resulted in correction of the field offices' scoring of the application. A memorandum with a corrected scoresheet was sent to the applicable State Offices. These items must be attached and filed with the original scoresheet in the applicant's docket.

RD Instruction 1940-L, Exhibit A, Attachment 1, provides guidance on what must be provided with the request for funds. One item is the Certification of the Priority Score by the approval official. This certification states that the points applied to each criteria are accurate and supported by documentation in the applicant's file. Therefore, our review of the priority scoresheet will not be as comprehensive as in previous reviews. However, all priority scoresheets should include supporting documentation that justifies each score. Through random selection, 10 percent of all requests submitted will be thoroughly reviewed by the Specialty Lenders Division staff for accuracy. If, at that time, it is determined the score should be changed, you will be notified by e-mail explaining the reason for the change. If you are in disagreement with the review, you will be given an opportunity to provide additional documentation to justify your decision. This documentation must be e-mailed directly back to the reviewer. All notifications must be filed with the original scoresheet in the applicant's docket.

EXPIRATION DATE:
May 31, 2004

FILING INSTRUCTIONS:
Community/Business Programs

If you have any questions, please contact Diane Berger, Loan Specialist, Specialty Lenders Division Processing Branch, (202) 720-2383.

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs